penses in connection with the judicial sale. Since the right or interests in the charged land remains with the registered owner he has nothing to redeem. To speak of the equity of redemption or the like of it in our situation under the Land Code is clearly technically and legally incorrect. The term so used in relation to a charge is not only a misnomer but nonsensical. In our view the decision in *Eng Ah Mooi*'s case[3] was made without the benefit of the Privy Council decision in the case of *Haji Abdul Rahman* v *Mohamed Hassan.*[7] The relevant passage of the judgment is at p 216:

> It seems to their Lordships that the learned judges, in these observations, have been too much swayed by the doctrines of English equity, and not paid sufficient attention to the fact that they were here dealing with a totally different land law, namely, a system of registration of title contained in a codifying enactment. The very phrase 'equity of redemption' is quite inapplicable in the circumstances. There is no provision in the Regulation for mortgages apart from what is described as a 'charge'; indeed, they are, except as regards those of the past, de facto abolished after the date of the enactment by s 4 already quoted. That provides for charges, which must be made in a statutory form and must appear on the register to be effective. Under such a system the right to the land remains with the registered owner. He has nothing to redeem, his right on paying the debt being to have the charge cleared off the register.

On that account *Eng Ah Mooi*'s case,[3] must, therefore, be treated as having been decided per incuriam only in respect of this particular issue.

In the view we take of this appeal we are disposed to reject the respondent's proposition that he has a statutory or equitable right of discharge or redemption of a charge under the provisions of the National Land Code but we would affirm the right of the chargor or the borrower to discharge a charge under the annexure to the charge which is to be read together with s 249(1) of the Code which right ineluctably is not available to the respondent. Besides, under s 266(1) of the Code, the right to tender payment before the judicial sale is specifically and exclusively granted to the chargor. The question of the competing right to discharge the charge on the part of the respondent does not arise at all and it follows, a fortiori, the priority of the charge prevails.

Under the circumstances we would allow this appeal with costs here and below. The appellant is entitled to have the caveats removed and we so order. The deposit is to be refunded to the appellant.

Appeal allowed.

Solicitors: *Soo Thien Ming & Shahrizat; LS Tan & Co.*

Reported by *Prof Ahmad Ibrahim*

Revertex Ltd & Anor v Slim Rivertex Sdn Bhd & Ors

HIGH COURT (KUALA LUMPUR) — CODE D2-22-1872-89
SITI NORMA YAAKOB J
17 NOVEMBER 1989

Civil Procedure — Cause of action — Registrar of Companies refusing plaintiffs' request not to register defendants' trade mark — Whether plaintiffs' only remedy is to appeal against registrar's order — Companies Act 1965, ss 11(10) & 22(1)

Tort — Passing-off — Whether defendants' trade name bore such similarity to plaintiffs' trade name that public would be deceived or confused into believing defendants' business was associated with or connected to plaintiffs' business

The plaintiffs in their application for an interim injunction pending the determination of a permanent injunction contended that the defendants had chosen a trade name which looked and sounded very similar to their own such that such similarity was bound to deceive or cause confusion to the public into believing that the defendants' business was associated with or connected to their business and that would cause irreparable loss and damage to their goodwill and reputation. The plaintiffs' corporate name, 'Revertex', had been in use since 1930 and the plaintiffs were also the registered proprietor of two trade marks known as 'Revertex' and 'Rivultex' since 1954. The defendants were an incorporated entity which had not yet commenced its business of manufacturing concentrate latex and examination gloves. Their trade name registered was 'Slim Rivertex Sdn Bhd'.

The plaintiffs had taken the initial steps of writing to the Registrar of Companies to protest against the defendants' intention of registering itself with the word 'Rivertex' on the grounds that (i) the word bore a close resemblance to their trade name 'Revertex'; and (ii) the defendants had contravened s 22(1) of the Companies Act 1965 and the regulations promulgated thereunder by not first obtaining the plaintiffs' consent to do so. The registrar rejected the plaintiffs' request. The defendants' objection to the plaintiffs' present application for an injunction was in turn based on the following grounds:

(i) the plaintiffs had adopted the wrong procedure in filing the civil suit since the plaintiffs' request to the registrar to refuse registration of the defendants' trade name was an acknowledgment that the registrar had the power to rectify a wrong done, when that request was rejected the plaintiffs' only remedy was to appeal against the registrar's order. For this they should have proceeded under s 11(10) of the Companies Act 1965;

(ii) alternatively, the defendants were justified in their choice of a trade name as it was only a descriptive name for which the plaintiffs could not claim a monopoly and that deceit or confusion would not arise as they did not trade in the same business.

Held, allowing the plaintiffs' application:

(1) The plaintiffs had not sought to enforce any right before the registrar and to that extent there was no dispute between the plaintiffs and the registrar. The plaintiffs were doing nothing more than to request the registrar to use his good offices to deal with the matter amicably at that level without the necessity of dragging the matter to court.

(2) In any case, the tort of passing-off of a trade name is an actionable wrong at common law and the plaintiffs there-

fore had a cause of action at common law and the defendants could not prevent them proceeding in the manner they had done. Hence the court had jurisdiction to entertain the plaintiffs' application.

(3) Clearly, the defendants' activities were identical to the plaintiffs' activities and thus there was all the more reason that the slightest resemblance in the trade names of the parties may create confusion.

(4) As regards the defendants' claim that the plaintiffs had no monopoly to the name 'Revertex' as it is a descriptive name, the plaintiffs' trade name was not descriptive of anything and on the contrary must have been coined or invented by the plaintiffs themselves. To that extent it was a fanciful name which under the law the plaintiffs were entitled to protect and monopolize.

(5) The test is whether in the choice of a trade name resembling that of another existing entity, it will create the falsehood that the business of one is an extension or a branch of another or that they are somewhat connected.

(6) In the present case, the words 'Revertex' and 'Rivertex' though spelt differently bore a very close resemblance to each other especially in sound and the activities of both the plaintiffs and the defendants were identical.

[Bahasa Malaysia summary

Plaintif di dalam permohonan untuk injunksi interim sementara menantikan pemutusan injunksi tetap menghujah bahawa defendan telah memilih satu nama perniagaan yang kelihatan dan berbunyi sangat sama dengan nama mereka sendiri sehinggakan kesamaan sedemikian pasti menipu atau menyebabkan kekeliruan kepada orang awam untuk mempercayai bahawa perniagaan defendan adalah berhubung dengan atau bersangkutan kepada perniagaan mereka dan itu akan mengakibatkan kehilangan dan kerosakan yang tidak dapat diperbaiki kepada nama baik dan reputasi mereka. Nama perbadanan plaintif, 'Revertex', telah digunakan semenjak 1930 dan plaintif adalah tuan punya berdaftar dua tanda niaga yang dikenali sebagai 'Revertex' dan 'Rivultex' semenjak 1954. Defendan adalah satu entiti yang diperbadankan yang masih belum memulakan perniagaan mereka dalam membuat susu getah pekat dan sarung tangan pemeriksaan. Nama perniagaan berdaftar defendan adalah 'Slim Rivertex Sdn Bhd'.

Plaintif telah mengambil langkah permulaan dengan menulis kepada Pendaftar Syarikat untuk membantah terhadap tujuan defendan mendaftar ianya sendiri dengan perkataan 'Rivertex' atas alasan bahawa (i) perkataan itu membawa kesamaan yang dekat dengan nama perniagaan mereka 'Revertex'; dan (ii) defendan telah melanggar s 22(1) Akta Syarikat 1965 dan peraturan yang dibuat mengikutinya dengan tidak mendapat kebenaran plaintif untuk berbuat demikian. Pendaftar menolak permohonan plaintif. Bantahan defendan terhadap permohonan plaintif ini untuk satu injunksi pula berasaskan alasan berikut:

(i) plaintiff telah menggunakan prosedur yang salah dalam memfailkan saman sivil ini kerana memandangkan yang permohonan plaintif kepada pendaftar untuk menolak pendaftaran nama perniagaan defendan adalah satu pemakluman bahawa pendaftar mempunyai kuasa untuk memperbaiki satu kesalahan yang dilakukan, bila permohonan itu ditolak, remedi tunggal bagi plaintif adalah untuk merayu terhadap perintah pendaftar itu. Untuk ini mereka sepatutnya bertindak mengikut s 11(1) Akta Syarikat 1965;

(ii) sebagai alternatif, defendan bertindak secara wajar di dalam pilihan nama perniagaan mereka kerana ia cuma satu nama deskriptif dan plaintif tidak boleh menuntut monopoli terhadapnya dan penipuan atau kekeliruan tidak akan berbangkit kerana mereka tidak berniaga dalam perniagaan yang sama.

Diputuskan, meluluskan permohonan plaintif:

(1) Plaintif tidak cuba menguatkuasakan sebarang hak berhadapan pendaftar dan setakat itu tidak terdapat apa-apa perselisihan di antara plaintif dan pendaftar. Plaintif tidak bertindak lebih daripada meminta pendaftar menggunakan jasa baiknya menyelesaikan perkara itu secara mesra di peringkat itu tanpa keperluan mebawa perkara itu ke mahkamah.

(2) Apa sekalipun, tort kelirupaan (passing-off) satu nama perniagaan adalah satu perbuatan salah boleh dakwa (actionable wrong) mengikut 'common law' dan plaintif oleh kerana itu mempunyai kausa tindakan mengikut 'common law' dan defendan tidak boleh menahan mereka daripada bertindak secara mereka telah bertindak. Lantaran itu mahkamah mempunyai bidang kuasa untuk mendengar permohonan plaintif.

(3) Jelasnya, aktiviti defendan adalah sama dengan aktiviti plaintif dan oleh kerana itu terdapat sebab bahawa kesamaan yang sedikit dalam nama perniagaan pihak itu boleh mengakibatkan kekeliruan.

(4) Berkenaan dakwaan defendan bahawa plaintif tidak mempunyai monopoli ke atas nama 'Revertex' kerana ia adalah satu nama deskriptif, nama perniagaan plaintiff tidak menggambarkan apa-apa dan sebaliknya pasti telah direka oleh plaintif sendiri. Setakat itu ia adalah satu nama yang ganjil yang plaintif berhak di bawah undang-undang mempertahankan dan memonopolinya.

(5) Ujian yang betul ialah sama ada dalam pilihan satu nama perniagaan yang seakan-akan serupa dengan satu entiti lain yang wujud, ia akan mengakibatkan kekeliruan bahawa perniagaan yang satu itu adalah satu perlanjutan atau satu cawangan yang satu lagi atau mereka adalah agak bersangkutan.

(6) Di dalam kes ini, perkataan 'Revertex' dan 'Rivertex' walaupun dieja berlainan membawa rupa yang seakan-akan sama satu dengan yang lain, terutamanya dalam bunyi, dan aktiviti kedua-dua plaintif dan defendan adalah serupa.]

Cases referred to

1 *Land Executive Committee of Federal Territory* v *Syarikat Harper Gilfillan Bhd* [1981] 1 MLJ 234 (distd)
2 *Excelsior Pte Ltd* v *Excelsior Sport (S) Pte Ltd* [1986] 1 MLJ 130 (folld)

Legislation referred to

Companies Act 1965 ss 11(10), 22(1)

Dato V Kandan (*Michael Soo* with him) for the plaintiffs.
C Das (*John Mathew* with him) for the defendants.

Cur Adv Vult

Siti Norma Yaakob J: In this passing-off action, the only complaint of the plaintiffs is that the defendants have chosen a trade name which looks and sounds very similar to their own and they contend that such similarity is bound to deceive or cause confusion to the public into believing that the defendants' business is associated with or connected to their business and this will cause

irreparable loss and damage to their goodwill and reputation.

At the outset, I need to point out that the section of the public to which the alleged deceit and confusion that will be felt is that section of the public who have dealings in the rubber industry as the parties to this suit are the manufacturers and dealers in rubber and rubber related products.

'Revertex' which is part of the plaintiffs' corporate name has been in use since 1930 and in addition, the first plaintiff, based in the United Kingdom, is also the registered proprietor of two trade marks known as 'Revertex' and 'Rivultex' since 1954. The second plaintiff, incorporated in Malaysia on 28 December 1972 with an authorized capital of $10m, is the registered user of these two trade marks in Malaysia.

The first defendant was incorporated on 20 August 1988 with an authorized capital of $2.5m but it has not yet commenced its business of manufacturing concentrate latex and examination gloves as its two factories that will operate the defendants' principal activities, are at present under construction. Originally, it was intended to construct the two factories near the towns of Slim River and Trolak and apart from other considerations, it is the proximity of the two rivers that flow into these two towns, the Slim River and its tributary, Sungei Trolak, that prompted the promoters of the first defendant, the second to fourth defendants, who are now the directors of the first defendant, to choose a trade name by reference to the Slim River and the acronym 'tex', being the last three letters of the word 'latex', a practice commonly used by producers or manufacturers of rubber products when choosing their trade names.

Hence the first defendant came to be registered as 'Slim Rivertex Sdn Bhd'. Here I need to stress that the plaintiffs are not complaining of the use of the words 'Slim River' or the acronym 'tex' when used separately by itself but when these words are combined, as was done by the defendants in this case, to produce the word 'Rivertex', the plaintiffs maintain that 'Rivertex' bears a close resemblance to 'Revertex'. Neither is the plaintiffs complaining that the defendants be refrained from manufacturing or trading in rubber or rubber related products but on the contrary they are free to do so provided that they trade in a name that is not colourably confusing to the plaintiffs' own trade name.

As a first step towards preventing the defendants from trading under their business name with the word 'Rivertex' as part of the first defendant's name, the plaintiffs have applied for an interim injunction pending the determination of a permanent injunction which is one of the prayers sought for in the statement of claim. This application is objected to by the defendants on the following grounds:

(1) The wrong procedure has been adopted by the plaintiffs in filing this civil suit, consequent upon which this application for an interim injunction cannot be maintained.

(2) Alternatively, the defendants are justified in their choice of a trade name as it is only a descriptive name for which the plaintiffs cannot claim a monopoly and that deceit or confusion will not arise as they do not trade in the same business.

The objection on jurisdiction stems from the initial steps taken by the plaintiffs to prevent the first defendant being registered with a trade name to include 'Rivertex' as part of its corporate name. On 15 December 1988, the plaintiffs' solicitors had written to the Registrar of Companies ('the registrar') protesting against the first defendant's intention to register itself with the word 'Rivertex' as part of its name as being colourably and confusingly similar to 'Revertex'. Moreover the defendants have contravened s 22(1) of the Companies Act 1965, and the regulations promulgated thereunder as they had not obtained the consent of the plaintiffs to the use of 'Rivertex' as part of the first defendant's name. On these two grounds, the plaintiffs had requested the registrar to refrain from registering the first defendant with its intended trade name and, for that matter, any other company intending to use the words 'Revertex' or 'Rivertex' as part of its trade name.

After due consideration, the registrar, in his letter dated 16 February 1989, rejected the plaintiffs' request and informed their solicitors that the name chosen by the first defendant does not cause confusion to the plaintiffs' own trade name. It was following this decision that the present suit was filed seeking principally a permanent injunction to prevent the defendants trading in a name which includes 'Rivertex' as part of the first defendant's name and an enquiry as to damages for any loss of goodwill or reputation suffered by the plaintiffs.

It is the defendants' contention that by requesting the registrar to refuse registration of the first defendant's trade name under s 22(1) of the Companies Act 1965, the plaintiffs had acknowledged that the registrar had the power to rectify a wrong done and when that request was rejected, the plaintiffs' only remedy is to appeal against the registrar's order and for this they should have proceeded under s 11(10) of the Companies Act 1965, and in support of this proposition they rely on the decision of *Land Executive Committee of Federal Territory* v *Syarikat Harper Gilfillan Bhd.*[1] That case decided that where a specific method of enforcing a right is provided for under a specific statute, that procedure must be followed and that no other court has the jurisdiction to enforce the right. By failing to appeal against the registrar's order under s 11(10) of the Companies Act 1965, the defendants maintain that the plaintiffs are debarred from bringing the present suit

against the defendants and it follows that the application for this interim injunction cannot be entertained.

In the *Land Executive Committee*'s case,[1] the respondents, as the registered owners of two pieces of land, the use of which was limited to the planting of fruit trees, had applied to the Director of Lands & Mines for amalgamation and subdivision of part of their land on which was erected a block of flats for the purpose of effecting the sale of that part to some third parties. The respondents were however told that they need to apply for a change in the category of land use before their application for amalgamation and subdivision can be entertained. The respondents did not appeal against the Director's order but instead filed an originating summons for a declaration that upon the true construction of the provisions of the National Land Code 1965, they were not required to apply for a change of category of land use prior to the application for amalgamation and subdivision. It was under these circumstances that the court held that s 418 of the Code makes a specific provision as to the procedure to be followed, in that any aggrieved party like the respondents, must appeal to the High Court against the Director's order and pursuant to that ruling, the court held that it had no jurisdiction to entertain the originating summons.

Unlike the respondents in the *Land Executive Committee* case,[1] the plaintiffs had not sought to enforce, any right before the registrar and to that extent, there is no dispute between the plaintiffs and the registrar. As such the plaintiffs cannot be regarded as the aggrieved party to which s 11(10) of the Companies Act 1965 is applicable. The plaintiff's dispute is only with the defendants and by writing to the registrar objecting to the first defendant's chosen name of 'Rivertex' as part of its trade name, the plaintiffs were doing more than to request the registrar to use his good offices to deal with the matter amicably at that level, without the necessity of dragging the matter to court. It was no more than just that and the plaintiffs do not have any other remedy under any statute to empower the registrar to change his mind. Moreover the tort of passing-off of a trade name is an actionable wrong at common law and as such the plaintiffs have a cause of action at common law, to which the defendants cannot prevent them proceeding in the manner they had done and to that end, I hold that this court has the jurisdiction to entertain this suit and this application for an interim injunction.

A number of cases were cited to me to show just how the courts of different jurisdictions have, over the years, dealt with cases of passing-off involving trade names based on particular facts. I can do no better than to refer to a recent case nearer home, that of *Excelsior Pte Ltd* v *Excelsior Sport (S) Pte Ltd*[2] which defines the law on this subject as follows:

> The law relating to passing-off in relation to goods and to the passing-off of trade names is the same.
>
> The ground of interference by the courts in trade name cases is that the use of the defendant company's name is calculated to deceive or has deceived and so to divert business from the plaintiff to the defendant or occasioned a confusion between the two businesses.
>
> In order to succeed, it is not necessary for the plaintiffs to prove fraudulent intention on the part of the defendants. Nor do the plaintiffs need to show actual deception.
>
> The trade name will normally have attached to it a goodwill that the courts will protect. If a trade name suggests that the defendant's business is an extension, branch or another agency of or otherwise connected with the plaintiff's business, an injunction will be granted.

Turning to the facts of this case, the plaintiffs have been trading under their trade name of 'Revertex' for 59 years and it cannot be denied that the long usage backed by the documentary evidence all show that the plaintiffs had acquired a continuous goodwill and reputation and whilst their trade name may not be a household word like 'Colgate' or 'Fab', it is well known to the people connected in the rubber industry in this country and abroad.

From their humble beginnings of manufacturing and marketing a concentrate called 'Revertex' made from natural rubber latex, they have expanded and diversified their activities to manufacturing and marketing various products like paints of all types and colours, carpets, rubber mats, floor tiles, adhesives, fabrics, shoes, toys, surgical examination and household gloves, baby teats and plastics of all kinds, car seats, fibre glass tanks and boats, artificial marble and clothings for both the home and oversea markets. Needless to say, with such varied and diversified activities, the plaintiffs have made considerable contributions to the economy of this country in terms of foreign exchange, employment opportunities in the rubber and related industries and investments.

Of the defendants' two factories, one will be utilized solely for the manufacture of concentrate latex which will then be used by the second factory which is now resited at Seberang Perai Industrial Estate in Penang, to manufacture examination gloves for export to oversea markets. Clearly the defendants' activities are identical to the plaintiffs' activities and this all the more reason that the slightest resemblance in the trade names of the parties may create the confusion that the plaintiffs now seek to prevent from happening. Even before the incorporation of the first defendant, there is evidence to show that the plaintiffs' trade name 'Revertex' has been misspelt as 'Rivertex', the very same spelling which has been adopted by the defendants as part of their trade name.

The defendants have also maintained that the plaintiffs have no monopoly to the name 'Revertex' as it is a

descriptive name. As I have stated earlier, the plaintiffs had used the name 'Revertex' for a good 59 years and their first product, the concentrate latex is also known as 'Revertex'. Except for the derivative 'tex' which comes from 'latex', the word 'Revertex' is itself is not descriptive of anything. On the contrary, it must have been coined or invented by the plaintiffs themselves and, to that extent, it is a fanciful name which under the law the plaintiffs are entitled to protect and monopolize.

In this respect, justification in the choice of a trade name has no bearing as to whether such a name can cause confusion to the members of the public who will be dealing with such a company. The test is whether in the choice of such a name resembling that of another existing entity, it will create the falsehood that the business of one is an extension or a branch of another or that they are somewhat connected.

On the facts of this case, it is not difficult to see that the words 'Revertex' and 'Rivertex', though spelt differently, bear a very close resemblance to each other especially in sound. The activities of both the plaintiffs and defendants are identical in that both manufacture and sell concentrate latex and examination and surgical gloves, although in the case of the plaintiffs having been well established, they have diversified their rubber products beyond the manufacture of only examination and surgical gloves. Having traded as 'Revertex' for the past 59 years, the plaintiffs have clearly shown that they have attained a goodwill and reputation which they must jealously protect. That protection must necessarily mean that they cannot allow any other party to trade in a name similar to their own trade name and since the word 'Revertex' in itself is a fanciful name, the plaintiffs also have the added advantage of a monopoly to that name.

Under the circumstances of this case, I also consider that damages will not be an adequate remedy for the plaintiffs and the balance of convenience tilts in favour of the plaintiffs being granted the interim injunction as the defendants have not yet commenced their business under their trade name of 'Rivertex' and this fact also works in favour of the plaintiffs in that the status quo of the parties should be maintained until the suit has been heard and determined.

For the reasons I have given, I allow the plaintiffs' application in terms of prayers 1, 2 and 4 with the usual undertaking as to damages to be given by the plaintiffs.

Application allowed.

Solicitors: *Shearn Delamore & Co; Shook Lin & Bok.*

Reported by *Yap Shao Sin*